

Mayor

James Kallander

Council Members

Keith van den Broek

James Kacsh

David Allison

Bret Bradford

EJ Cheshier

David Reggiani

Robert Beedle

City Manager

Mark Lynch

City Clerk

Susan Bourgeois

Deputy Clerk

Robyn Kincaid

Student Council

Dustin Marchant

Carl Ranney

COUNCIL SPECIAL MEETING

MARCH 15, 2012 @ 7:00 PM

LIBRARY MEETING ROOM

AGENDA

A. CALL TO ORDER

B. ROLL CALL

Mayor James Kallander, Council members Keith van den Broek, James Kacsh, David Allison, Bret Bradford, EJ Cheshier, David Reggiani, and Robert Beedle

C. APPROVAL OF AGENDA..... (voice vote)

D. DISCLOSURES OF CONFLICTS OF INTEREST

E. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

- 1. Audience Comments regarding agenda items

F. NEW BUSINESS

- 2. Resolution 03-12-16..... (voice vote)

Certification of the official results of the March 6, 2012 General Election (**resolution to be provided at meeting**)

- 3. Swearing in of Council members and School Board members

- 4. Resolution 03-12-17..... (voice vote)(page 1)

A resolution of the Cordova City Council authorizing the City Manager to sign an amendment to the agreement with the State of Alaska concerning participation of hospital employees in the Public Employees Retirement System of Alaska

G. COUNCIL COMMENTS

H. ADJOURNMENT

Executive Sessions: Subjects which may be discussed are: (1) Matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government; (2) Subjects that tend prejudice the reputation and character of any person; provided that the person may request a public discussion; (3) Matters which by law, municipal charter or code are required to be confidential; (4) Matters involving consideration of governmental records that by law are not subject to public disclosures.

If you have a disability that makes it difficult to attend city-sponsored functions, you may contact 424-6200 for assistance.

All City Council agendas and packets available online at www.cityofcordova.net



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6200
Fax: (907) 424-6000
Email: citymanager@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of City Manager

March 9, 2012

Memo to HSB / City Council
Re: Providence Contract Amendment

Providence has selected Dr. Theresa Carte as CCMC Administrator, and Council has approved that selection. Providence officially took over management of CCMC on March 1, 2012, an amendment to our contract with them was passed by Council to allow the current Interim Administrator (Stephen Sundby) to remain in place until such time that a new administrator was selected. Dr. Carte's start date is confirmed as April 8, 2012, and a resolution removing the CCMC Administrator position from PERS is necessary. The City has also completed a termination study as required by Alaska Statute, and a copy is attached. The resolution and PERS amendment forms are also attached. Only the Resolution needs signatures from HSB President, Mayor and Clerk. The other documents are for reference only, and will be executed by the City Manager and sent to PERS.

Thank you,

Mark Lynch
City Manager

**CITY OF CORDOVA, ALASKA
RESOLUTION 03-12-17**

**A RESOLUTION OF THE CORDOVA CITY COUNCIL AUTHORIZING THE CITY
MANAGER TO SIGN AN AMENDMENT TO THE AGREEMENT WITH THE STATE OF
ALASKA CONCERNING PARTICIPATION OF HOSPITAL EMPLOYEES IN THE PUBLIC
EMPLOYEES RETIREMENT SYSTEM OF ALASKA**

WHEREAS, the Cordova Community Medical Center has been a member of the Public Employees Retirement System (PERS) since July 1, 1975, entering its most recent participation agreement under the name of the Cordova Community Hospital on July 1, 1993; and

WHEREAS, Alaska Statute 39.35.615 authorizes a covered employer to add or remove positions from inclusion in PERS by adoption of a resolution by the governing body.

NOW, THEREFORE, BE IT RESOLVED by the Cordova City Council that in consideration of the above facts, it is resolved by the City of Cordova, Alaska that:

Section 1. Pursuant to AS 39.35.615 the Cordova Community Medical Center (CCMC) shall remove the position of the Hospital Administrator from participation in the Public Employees Retirement System of Alaska, effective April 8, 2012, when the new permanent hospital administrator employed by Providence Health & Services Alaska assumes administrative duties over CCMC.

Section 2. The City Manager is authorized to take all steps reasonable and necessary to effectuate the intent of this resolution, including without limitation, amending the Cordova Community Medical Center’s Participation Agreement with PERS to remove the position of Hospital Administrator and implementing such amendment.

PASSED, APPROVED AND ADOPTED THIS 15th DAY OF MARCH, 2012.

James Kallander, Mayor

ATTEST:

Susan Bourgeois, City Clerk

Approved: Cordova Community Medical Center
Health Services Board

BY: _____; David Allison

ITS: Cordova Health Services Board President

DATE: _____

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Division of Retirement and Benefits
PO Box 110203 Juneau, AK 99811-0203
Phone: (907) 465-4460
Fax: (907) 465-3086

PARTICIPATION AGREEMENT AMENDMENT NO. 2

The Public Employees' Retirement System (PERS) Participation Agreement entered into between the State of Alaska (hereafter referred to as the State) and the Cordova Community Medical Center (previously known as the Cordova Community Hospital) ("CCMC"), effective July 1, 1975, as previously made effective with respect to CCMC on a separate basis from the City of Cordova on July 1, 1993, and approved by the State on June 30, 1993 is hereby amended effective April 8, 2012, by adding a final subparagraph to read as follows:

Effective April 8, 2012, the Cordova Community Medical Center job position entitled Hospital Administrator shall be removed from the Public Employee's Retirement System.

Authorized Representative Signature

Authorized Representative Name (please type/print)

Authorized Representative's Title

Approved:

Administrator

Date



**State of Alaska
City of Cordova
Cordova Community Hospital
Hospital Administrator Position**

Termination Study
as of March 1, 2012

buckconsultants®

Submitted By:
Buck Consultants
1200 Seventeenth Street, Suite 1200
Denver, CO 80202

February 2, 2012

VIA EMAIL

Mr. Mark Lynch
City Manager
City of Cordova
602 Railroad Avenue
P.O. Box 1210
Cordova, AK 99574

**Re: City of Cordova, Cordova Community Hospital –
Hospital Administrator Position Termination Study**

Dear Mr. Lynch:

At your request, we have performed a termination study for the City of Cordova, Cordova Community Hospital – Hospital Administrator Position assuming termination from PERS as of March 1, 2012.

We have estimated that terminating the City of Cordova, Cordova Community Hospital – Hospital Administrator Position does not increase pension liabilities or healthcare liabilities. Therefore, the total cost for termination is \$0. Termination liabilities were calculated as of March 1, 2012 based upon the member data, assumptions, methods, and provisions summarized in this report. However, Alaska statutes section 39.35.625 requires that the City of Cordova continue to pay the past service cost rate until the unfunded liability for PERS has been fully paid off. This rate is 24.16% for Fiscal Year 2013.

We have assumed that the member chose to become immediately vested in his pension and healthcare benefits rather than receive a refund of his account balance. Tier III members must have 10 years of service at termination from PERS to be eligible for system-paid healthcare benefits after age 60. The total liability for this members has been estimated by prorating the member's service at the City of Cordova over the member's total service.

The undersigned is a member of the American Academy of Actuaries and the Society of Actuaries, is fully qualified to provide actuarial services to the State of Alaska, and is available to answer questions regarding this report.

If you have any questions, please feel free to call me at (720) 359-7773.

Sincerely,



David H. Slushinsky, ASA, EA, MAAA
Principal, Consulting Actuary

/mlp

c: Ms. Teresa Kesey, State of Alaska
Ms. Kathy Lea, State of Alaska
Mr. Jim Puckett, State of Alaska

Contents

Section 1: Development of Termination Liability at March 1, 2012	1
Section 2: Employee Information	2
Section 3: Summary of the Provisions of the Alaska Public Employees' Retirement System as of June 30, 2010.....	3
Section 4: Actuarial Basis	4

Development of Termination Liability at March 1, 2012

	<u>Total Liability</u>	<u>Liability Allocated to the City of Cordova*</u>
(1) Pension Cost of Termination		
(a) Accrued Pension Liability Prior to Termination		
Tier 1	\$ 0	\$ 0
Tier 2	0	0
Tier 3	<u>109,951</u>	<u>34,975</u>
Total	\$ 109,951	\$ 34,975
(b) Pension Termination Liability		
Tier 1	\$ 0	\$ 0
Tier 2	0	0
Tier 3	<u>85,996</u>	<u>27,355</u>
Total	\$ 85,996	\$ 27,355
(c) Pension Cost of Termination (b-a, not less than \$0)		\$ 0
(2) Healthcare Cost of Termination		
(a) Accrued Healthcare Liability Prior to Termination		
Tier 1	\$ 0	\$ 0
Tier 2	0	0
Tier 3	<u>0</u>	<u>0</u>
Total	\$ 0	\$ 0
(b) Healthcare Termination Liability		
Tier 1	\$ 0	\$ 0
Tier 2	0	0
Tier 3	<u>0</u>	<u>0</u>
Total	\$ 0	\$ 0
(c) Healthcare Cost of Termination (b-a, not less than \$0)		\$ 0
(3) Total Cost of Termination (1(c)+2(c))		\$ 0

*The liability allocated to the City of Cordova is the member's liability multiplied by the ratio of the member's City of Cordova service to total member service.

Member Information

The following member information was used to determine the termination liability for the City of Cordova as of March 1, 2012:

City of Cordova

Number of Members		1
– Tier 1	0	
– Tier 2	0	
– Tier 3	<u>1</u>	
– Total	1	
Age as of March 1, 2012		55.49
Service at the city of Cordova as of March 1, 2012		1.67
Total Benefit Service as of March 1, 2012		5.25
Annual Compensation as of March 1, 2012		\$ 107,744
Estimated Monthly Pension Benefit Amount		\$ 858.56
Estimated Annual Pension Benefit Amount		\$ 10,302.73

Summary of the Provisions of the Alaska Public Employees' Retirement System

The plan provisions used for this study are the same as those used in the June 30, 2010 valuation for the State of Alaska Public Employees' Retirement System.

Actuarial Basis

The actuarial assumptions and methods used for this study are the same as those described in the June 30, 2010 valuation for the State of Alaska Public Employees' Retirement System which were adopted by the ARM Board in December 2010, unless otherwise noted below.

- Liability was allocated to the City of Cordova by the ratio of the member's City of Cordova service to the member's total service.
- We assumed that the member would elect to become vested in his pension and healthcare benefits and not take a refund of his contributions. We assumed he will start his pension and healthcare benefits on the earliest date that he is eligible. Tier III members must have 10 years of service at termination from PERS to be eligible for system-paid healthcare benefits at age 60.
- We assumed that 80% of males and 70% of females are married upon termination.
- The member's balance was taken from the June 30, 2011 valuation data. The member's service was taken from the June 30, 2011 valuation data. The current annual compensation was provided by Mark Lynch in January 2012.